

REPORT and STATEMENT

**DOMINION BRIDGE
COMPANY LIMITED**

FOR YEAR ENDED
31st OCTOBER

1940



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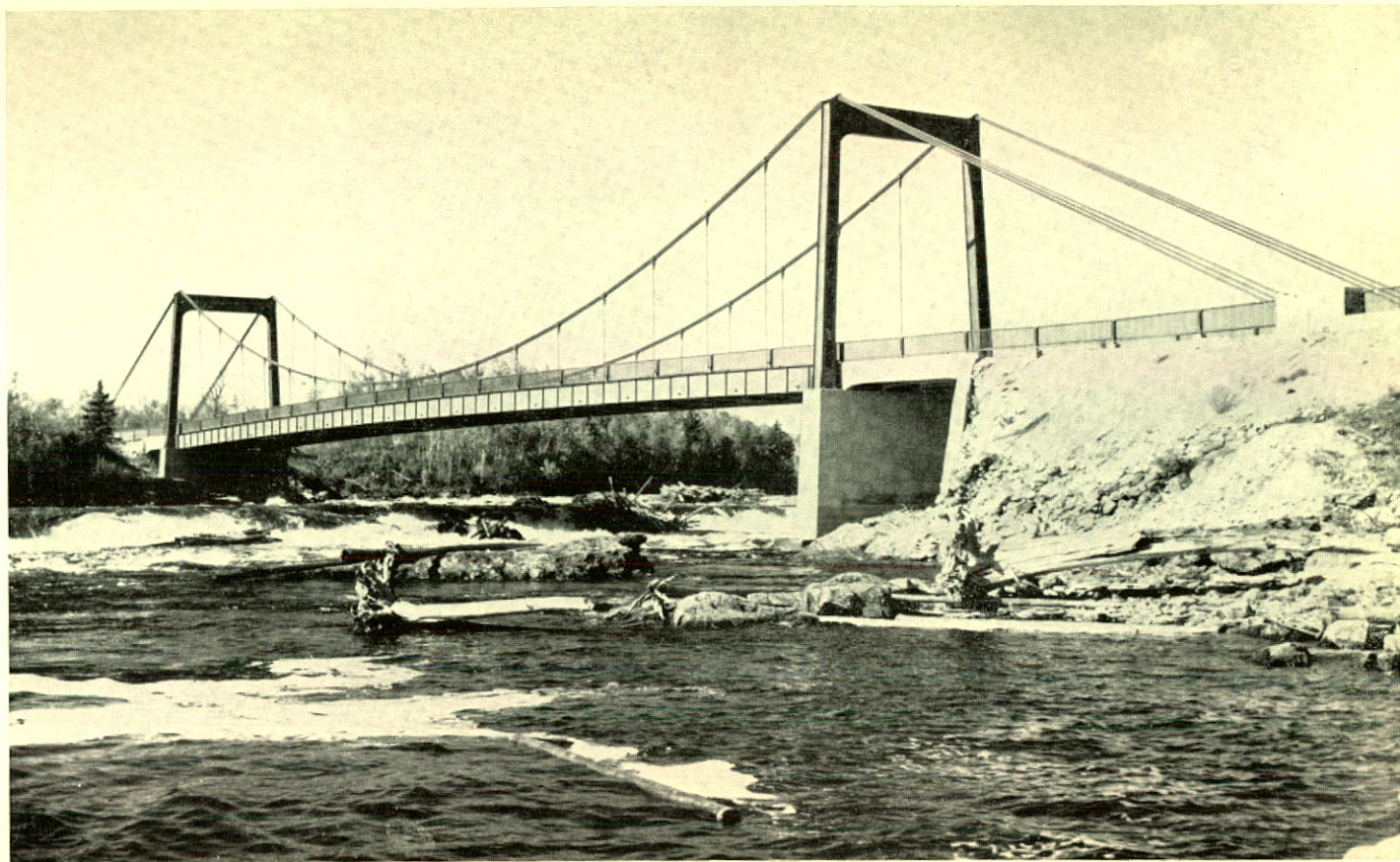
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McGILL UNIVERSITY

ANNUAL
REPORT

*For the Fiscal Year
Ended 31st October*

1940



CHUTE DU BRÛLÉ BRIDGE

Spanning the Gatineau River on the new Mont Laurier-Senneterre
highway in Quebec

DOMINION BRIDGE COMPANY LIMITED

DIRECTORS

G. H. DUGGAN.....	Chairman of the Board
W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
JOHN BURNS.....	Calgary
SIR HERBERT S. HOLT.....	Montreal
C. H. CARLISLE.....	Toronto
ROSS H. McMASTER.....	Montreal
NORMAN J. DAWES.....	Montreal
G. H. MONTGOMERY, K.C.....	Montreal
T. R. DEACON.....	Winnipeg
HOWARD MURRAY.....	Montreal
E. F. HAFFNER, K.C.....	Winnipeg
W. G. MURRIN.....	Vancouver
A. A. HODGSON.....	Montreal
PAUL F. SISE.....	Montreal
H. H. VAUGHAN.....	Montreal

HEAD OFFICE - LACHINE, P.Q.
F. W. EVENS—Secretary-Treasurer

EXECUTIVE OFFICERS

W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
S. W. CAMPBELL.....	Vice-President and Manager Western Division
F. P. SHEARWOOD.....	Consulting Engineer
F. NEWELL.....	Chief Engineer
J. L. HEALD.....	Comptroller
F. W. EVENS.....	Secretary-Treasurer

MANUFACTURING DIVISIONS AND OFFICES

Eastern Division.....	A. H. COWIE.....	Manager, Lachine, P.Q.
Ontario Division.....	A. R. ROBERTSON.....	Manager, Toronto, Ont.
Western Division.....	S. W. CAMPBELL.....	Vice-President, Winnipeg, Man.
Pacific Division.....	A. S. GENTLES.....	Manager, Vancouver, B.C.

BRANCH PLANTS

AMHERST, N.S.....	J. F. F. MacKENZIE.....	Local Manager
OTTAWA, ONT.....	W. A. MATTICE.....	Local Manager
CALGARY, ALTA.....	J. P. CARROLL.....	Local Manager

AGENCIES

MONTREAL, P.Q....	C. S. KANE, Divisional Sales Manager...	Lachine, P.Q.
EDMONTON, ALTA....	D. J. CARTER, Agent.....	106th and 121st Street
REGINA, SASK.....	H. CRABTREE, Agent.....	1769 Hamilton Street

DOMINION BRIDGE COMPANY LIMITED

27th December, 1940.

To the Shareholders of

DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company together with Balance Sheet as at October 31st, 1940, and Profit and Loss Account for the year ended that date.

The Riverside Iron Works, Limited, in which your Company had a majority interest, has now become a wholly owned subsidiary by the purchase of the outstanding shares, and its Assets and Liabilities have therefore been incorporated in the Consolidated Balance Sheet now before you.

Value of new business entered during the year shows an increase of 121% over that entered in 1939. This is exclusive of orders for shells and cartridge cases. Shortly after the turn of the year your Company was called upon to furnish a very large tonnage of structural steel and plate work of all kinds for different plants which were being erected for the manufacture of munitions. These orders were all for quick delivery, necessitating placing all of your plants on a twenty-four hour schedule. The total output of all plants during the year amounts to 106,300 tons—quite the largest output for many years. Beside the regular lines of production, large orders for marine boilers, cartridge cases, shells and a variety of other work have been placed with your Company.

A comparison of new business entered by Plants shows—

Amherst.....	2.4%
Lachine.....	52 %
Ottawa.....	2 %
Toronto.....	17 %
Winnipeg.....	12 %
Calgary.....	2.6%
Vancouver.....	12 %

Percentages of total output for the individual plants were:—

Amherst.....	4 %
Lachine.....	37 %
Ottawa.....	2.3%
Toronto.....	19.1%
Winnipeg.....	22 %
Calgary.....	2.6%
Vancouver.....	13 %

Expenditure on Capital Account during the year amounted to \$345,000.00. A large proportion of this expenditure was made in

DOMINION BRIDGE COMPANY LIMITED

order to meet the greatly increased demands for your Company's products required for the war effort. The regular provision for depreciation has been somewhat increased principally due to a special rate granted on equipment purchased to carry out war orders.

Stocks of raw material and manufacturing supplies are well assorted and saleable and the inventories have been taken at conservative prices. On account of the slowness and uncertainty of mill deliveries, it has been found necessary to increase inventories somewhat.

It is with sorrow your Directors record the death of their colleague, Mr. George William Allan, M.A., K.C., of Winnipeg, on the 6th December, 1940. Mr. Allan had been a Director of your Company since January 1930; he was deeply interested in the success of the Company and his sound judgment and business ability, which were ever at the Company's service, will be greatly missed in the conduct of its affairs.

Mr. E. F. Haffner, K.C., for many years a partner of Mr. Allan and associated with some of your Western subsidiary Companies, has been elected to fill the vacancy.

Your Directors have declared quarterly dividends of thirty cents (30c) a share—a total of \$1.20 for the year.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff and employees throughout the entire organization, who have been called upon to work especially long hours and have responded to the call in a splendid manner.

Meetings of your Board of Directors have been held monthly; the books of your Company have been regularly audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

By Order of the Board of Directors,

W. F. ANGUS,
President.

DOMINION BRIDGE

AND ENTIRELY OWNED

CONSOLIDATED BALANCE SHEET

ASSETS

Fixed Assets

Real Estate, Plant, Machinery and Equipment.....	\$17,023,156.60	
<u>Less: Depreciation Reserve.....</u>	8,773,315.08	
*Cost less amounts written off.		*\$8,249,841.52
Investments in Partly Owned Subsidiaries at Book Value.....		2,081,376.01
Due by Partly Owned Subsidiaries.....		12,350.00
Investments in Other Companies at Book Value—less Reserve.....		93,137.29
		<u>\$10,436,704.82</u>

Current Assets:

Cash on Hand and in Bank.....	\$ 912,254.85	
Government and Other Bonds and Securities (Approximate Market Value, \$2,352,925.87).....	2,291,374.86	
Deposits on Tenders.....	109,941.56	
Expenditure on Uncompleted Contracts at Standard Cost, less Reserve.....	\$ 8,074,812.70	
<u>Less: Amounts received on account....</u>	3,806,796.04	
		4,268,016.66
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....		1,943,378.73
Stock of Steel, Supplies and Small Tools at Cost, which is less than Market Value—less Reserve.....		3,766,378.46
		<u>13,291,345.12</u>

2,649 Fully Paid No Par Value Shares

held by Trust Companies for sale to employees of Dominion Bridge Company, Limited.....	40,084.10
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Suspended Assets

Unexpired Insurance Premiums, Taxes and Deferred Charges.....	127,495.53
	<u>\$23,895,629.57</u>

W. F. ANGUS, *Director.*

G. H. DUGGAN, *Director.*

COMPANY LIMITED

SUBSIDIARY COMPANIES

SET AS AT 31st OCTOBER, 1940

LIABILITIES

Capital Stock

Authorized: 600,000 Shares of No Par Value.....	
Issued: 513,951 Shares of No Par Value.....	\$15,921,366.00

Reserve Accounts

For Plant Extensions and Betterments.....	\$ 1,000,000.00	
For Accidents in Erection.....	181,358.36	
		1,181,358.36

Earned Surplus Account

Balance as per Profit and Loss Account.....	1,911,456.51
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Current Liabilities

Dividend payable 15th November, 1940.....	154,185.30	
Bank and Other Loans (Secured).....	636,093.75	
Bank Overdraft.....	819,774.60	
Bank Loan for Tender Deposits.....	72,809.00	
Reserve for Taxes.....	979,937.54	
Sundry Accounts Payable.....	2,218,648.51	
		4,881,448.70

\$23,895,629.57

Montreal, 20th December, 1940.

Submitted in accordance with our Report of even date on the Consolidated Balance Sheet of Dominion Bridge Company, Limited and Wholly Owned Subsidiary Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

DOMINION BRIDGE COMPANY LIMITED

AND

ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER, 1940

Profits from Contracts, Interest and Exchange and Miscellaneous Income.....	\$ 2,067,479.09
Revenue from Investments.....	133,250.01
Profit on Bonds sold and other non-recurring income.....	22,656.86
	\$ 2,223,385.96

Deduct:

Directors' Fees.....	\$ 23,640.00	
Executive Salaries.....	82,000.00	
Legal Fees.....	4,053.50	
Reserve for Taxes.....	832,291.91	
Depreciation on Plant, Machinery, etc.....	582,105.06	
		1,524,090.47
		\$ 699,295.49

Add:

Balance at Credit 1st November, 1939.....	1,828,902.22
	\$ 2,528,197.71

Deduct:

Dividend for year.....	616,741.20
	<u>\$ 1,911,456.51</u>

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER STREET, MONTREAL

20th December, 1940.

To the Shareholders,

DOMINION BRIDGE COMPANY, LIMITED

We have examined and audited the Books and Accounts of Dominion Bridge Company, Limited and its entirely owned Subsidiary Companies for the year ended 31st October, 1940, and report thereon as follows:—

The Inventories of Stock on Hand, as certified by responsible officials of the various Companies, have been valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the Securities or by certificates from the Depositaries in the cases where the Securities are deposited for safe custody or as security.

In accordance with Section 114 of the Dominion Companies' Act, we report that no portion of the losses or profits of partly owned subsidiaries (with the exception of dividends actually declared by one of these) is included in these accounts. Such losses or profits (less dividends) are charged against or credited to surplus in the books of the respective companies. This Company's proportion of the aggregate losses, less profits, after deducting dividends, amounts to \$66,752.93.

We report that we have obtained all the information and explanations we have required and that, in our opinion, the accompanying Balance Sheet as at 31st October, 1940, is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

(SGD.) RIDDELL, STEAD, GRAHAM & HUTCHISON,
CHARTERED ACCOUNTANTS,

Auditors.



